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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971.

70-282

No. ~~1827~~

HOMEMAKERS, INC.,
Petitioner,

vs.

THE CHICAGO HOME FOR THE FRIENDLESS,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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THE CHICAGO HOME FOR THE FRIENDLESS,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

The Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioner, Homemakers, Inc., prays that a Writ of Certiorari issue to review the Order of the Court of Appeals for the Seventh Circuit entered in the above entitled case on March 29, 1971.

The Order was entered upon appeal taken by petitioner from the judgment of the District Court of the United States for the Northern District of Illinois, Eastern Division. The original action was brought by petitioner for a Declaratory Judgment that its United States Servicemark Registration No. 825,460 is duly registered and that respondent has no right to have the mark cancelled and for an Order restraining respondent from prosecuting a cancellation proceeding regarding that Registration in the United States Patent Office.

OPINIONS BELOW.

The Memorandum Opinion and Order of the District Court is appended hereto (Appendix, Infra, p. 1a), and is reported at 313 F. Supp. 1087. The Order of the Court of Appeals is appended hereto (Appendix, Infra, p. 7a), and is reported at ..... F. 2d. ....., 169 USPQ 262.

JURISDICTION.

The Order of the Court of Appeals was entered March 29, 1971, and jurisdiction is invoked under Title 28 U. S. C. § 1254(1) and Supreme Court Rule 19 sub-paragraph 1(b) in that the Court of Appeals decided an important question of Federal Law which has not been, but should be, settled by this Court.

QUESTIONS PRESENTED.

1. Whether one who seeks to cancel a Federal Service Mark Registration and thus extinguish the very real rights flowing to registrant therefrom, is not raising the very kind of controversy contemplated by Title 28 of the United States Code, Section 2201.

2. Whether Title 15 of the United States Code, Section 1119 grants jurisdiction of the courts over the cancellation of registrations or whether that jurisdiction is conditional upon there being a question of infringement involved.

STATUTES AND RULES INVOLVED.

15 U. S. C. 1119:

> In any action involving a registered mark the court may determine the right to registration, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and

orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby.

28 U. S. C. 2201:

In a case of actual controversy within its jurisdiction, except with respect to Federal taxes, any Court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree shall be reviewable as such.

Rule 2.120 of the Trademark Rules of Practice:

"The provisions of the Federal Rules of Civil Procedure relating to discovery are inapplicable in inter partes trademark cases except as specifically set forth in this section."

15 U. S. C. 1062: (Appendix, Infra, p. 9a).

15 U. S. C. 1063: (Appendix, Infra, p. 10a).

15 U. S. C. 1115(a): Appendix, Infra, p. 11a).

15 U. S. C. 1117: (Appendix, Infra, p. 11a).

15 U. S. C. 1121:, (Appendix, Infra, p. 12a).

STATEMENT OF THE CASE.

This is a civil action pursuant to 15 U. S. C. 1119 and 15 U. S. C. 1121 for a declaration in regard to petitioner's right to retain its Registration Number 825,460 granted on March 7, 1967 for the Trademark "Homemakers" for use in connection with health, family and household services. The controversy in regard to petitioner's right to maintain this registration was raised by respondent, The Chicago Home For the Friendless, by means of a Petition for Can-

cellation filed in the United States Patent Office on or about June 27, 1967, requesting cancellation of petitioner's registration. That proceeding was stayed by the Patent Office, since petitioner's suit

> "... may well be dispositive of the issues raised by the pleadings in the instant proceeding." (Order of the Patent Office Trademark Trial and Appeal Board staying the Patent Office proceedings, see Appendix III, Page A-16 of Appellant's Brief in Court of Appeals.)

The District Court dismissed the complaint in an Order dated February 6, 1970, on the basis that there was not a justiciable controversy within the meaning of 28 U. S. C. 2201, and the Court of Appeals confirmed that ruling in its Order dated March 29, 1971.

ARGUMENT.

A. Controversy Over Registered Mark.

1. Petitioner's Registered Mark and Rights Flowing from Registration.

Petitioner was issued Registration No. 825,460 on March 7, 1967 for the mark "Homemakers" used in connection with health, family, and household services—namely, nursing, companionship, visiting, housekeeping, domestic help, maids, cooks, and home maintenance—in Class 100.

Prior to the issuance of this particular registration, the mark was carefully examined by the Patent Office and then published for opposition under the provisions of Title 15 of the United States Code, Section 1062. Title 15 of the United States Code, Section 1063 provides as follows:

> Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the required fee, file a verified opposition in the Patent Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 1062 of this title of the mark *sought to be registered*. . . .(Emphasis added)

No opposition was filed by respondent. The application was passed to issuance and the registration granted by the Patent Office.

2. Registrant's Rights Sought To Be Cancelled.

The grant of a registration under the Lanham Act provides a registrant with numerous advantages:

a. 15 U. S. C. 1121 permits the registrant to obtain original jurisdiction in all district and territorial courts in the United States in regard to actions arising under the Act as follows:

> The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

b. 15 U. S. C. 1115(a) provides registrant with procedural advantages as follows:

> Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be *prima facie evidence of registrant's exclusive right to use* the registered mark in commerce on the goods or services specified in the registration. . . . (Emphasis added)

c. 15 U. S. C. 1117 provides registrant with additional remedies not available at common law, including the right in appropriate cases to treble damages. This section provides as follows:

> When a violation of any right of the *registrant of a mark registered in the Patent Office* shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of

> the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. (Emphasis added)

d. 15 U. S. C. 1119 provides that the registrant is afforded the jurisdictions of the District Court in regard to cancellation matters as follows:

> In any action involving a *registered mark* the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations *of any party to the action.* Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby. (Emphasis added)

Thus it is seen that in order to make registration under the Lanham Act attractive, Congress provided the registrant with very real and important rights. These rights *are not* present prior to registration, and are therefore not in issue in an Opposition Proceeding.

In an Opposition Proceeding a timely opportunity is afforded *to prevent registration and the rights arising therefrom.* However, in a Cancellation Proceeding, an attempt is being made to undo the grant, to overthrow the action of the Patent Office after the grant has been made and after a chance to oppose has been offered. Thus, while a Cancellation Proceeding attempts *to divest* those very important rights already acquired, an Opposition Proceeding seeks merely to prevent the granting of rights *not yet* obtained. The Courts below failed to recognize these inherent differences between an Opposition Proceeding and a Cancellation Proceeding.

B. Decisions of Courts Below in Fact Amend The Trademark Act and The Declaratory Judgment Act.

The failure of the Courts to recognize the inherent differences between Opposition and Cancellation Proceedings was evident in their reliance upon the case of *Merrick* v. *Sharp & Dohme, Inc.,* 185 F. 2d 713, 88 USPQ 145 (7th Cir. 1950).

The Courts below cited the *Merrick* case for the broad proposition that a district court is without jurisdiction under the Declaratory Judgment Act *where infringement, misuse and unfair competition are not involved.* As indicated in the preceding section, this interpretation of the respective statutes necessitates extraordinary judicial legislation. It further obliterates entirely the very substantial difference between an Opposition and a Cancellation Proceeding.

Traditionally, courts in declaratory judgment actions have been unwilling to force a reluctant party to litigate matters in regard to which there was no controversy. Thus, frequently, where a Notice of Opposition was filed, as in the *Merrick* case, the applicant who was not a registrant sought to remove the case from the Patent Office to a Federal court, not to decide the issue of registration, but rather to force the opposer into a controversy over the right to use and the question of infringement.

In the *Merrick* case the following matters were involved:

1. An opposition filed *appropriately during the opposition period.*

2. The rights of an applicant for registration who at that time *had no registration and no rights emanating from registration.*

3. 15 U. S. C. 1119 *was nowhere involved,* since the Court was not being asked to cancel a *"registered mark."*

4. The opposer was in a position to raise a controversy in regard to infringement *but chose not to.*

5. The applicant tried to enlarge *the issue to include infringement over which there was no controversy.*

Each of the preceding points is contrary to the facts in the present case, which are as follows:

1. In this case, a cancellation petition was filed long after the opposition period had expired, after petitioner's registration had been granted and petitioner invested with all the rights flowing from that registration as set forth previously in this petition. Petitioner continued its nation-wide expansion of its franchise operation *based upon its registered service mark.*

2. Petitioner very definitely had a registered service mark at the time the suit was instituted below and was fully invested with all the rights flowing therefrom as required by 15 U. S. C. 1119.

3. 15 U. S. C. 1119 is the essence of the present controversy, since it specifically provides for the court to have jurisdiction in regard to the cancellation of a registered mark while nowhere permitting the court jurisdiction over an opposition to the proposed registration of a mark, nor restricting jurisdiction in regard to the cancellation of a registered mark only to those cases which also involve infringement.

4. The cancellation petitioner (respondent) in the present case claims no exclusive right to the use of the mark "Homemakers" in regard to its activities nor does it have any Federal registration or any registration whatsoever for that mark. Respondent *could not therefore allege infringement, since it has no exclusive rights.*

5. Registrant (petitioner) has kept the issues in the civil suit identical to those raised by the petition to cancel in the Patent Office proceeding; namely, cancellation of

petitioner's registration. That this is true was specifically recognized by the Patent Office Trademark Trial and Appeal Board in staying the Patent Office proceedings (*see* Appendix III, page A-16, Appellant's Brief in Court of Appeals). The Board there said:

> "It appears from a copy of the complaint therein that the *said civil action may well be dispositive of the issues raised by the pleadings in the instant proceeding.*" (Emphasis added)

The Patent Office cited the following cases in support of this recognized practice:

> ". . . Squirrel Brand Company c. [sic] Barnard Nut Co., 101 USPQ 340 (Comr., 1954) and Townley Clothes, Inc. v. Goldring, Inc., 100 USPQ 57 (Comr., 1953), and approved by the Court in Tuvache, Inc. v. Emilio Pucci Perfumes International, Inc. et al., 152 USPQ 574 (DC NY, 1967). See also Sam S. Goldstein Industries, Inc. v. Botany Industries, Inc., 163 USPQ 442 (DC NY, 1969)."

C. The Controversy Is Very Real.

In bringing this action Petitioner in its Complaint in Paragraph 3 alleges that the District Court had jurisdiction by virtue of Title 28 of the United States Code, Section 2201. That section provides as follows:

> In a case of actual controversy within its jurisdiction, except with respect to Federal taxes, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, *whether or not further relief is or could be sought.* Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such. (Emphasis added)

In evaluating the nature of the controversy under Section 2201 the wording of 15 U. S. C. 1119 must be borne in mind. That section begins as follows:

> In any action involving a registered mark. . . .

Thus Congress recognized that where a registered mark is involved, one which has already been published for opposition, one in regard to which the registration has already been granted, the rights of the Lanham Act already flowing from the act of registration, the courts have the power to determine the controversy regarding those rights. Nowhere in the Lanham Act are the courts given any jurisdiction over Oppositions. Thus, Congress was saying something *special* had occurred when a mark is registered. It is particularly noteworthy and of particular importance in this matter to recognize that Section 1119 *does not:*

1. Give courts jurisdiction over Opposition Proceedings nor;

2. Give the courts jurisdiction over unregistered marks nor;

3. Require a question of infringement to be raised as a condition precedent to jurisdiction over cancellations.

Thus, it is readily apparent that Section 1119 does not demand the coexistence of an issue of infringement.

Even more significant is the specific wording of 28 U. S. C. 2201 which states that:

> In a case of actual controversy . . . any court of the United States, . . . may declare the rights and other legal relations of any interested party seeking such declaration, *whether or not further relief is or could be sought.* . . . (Emphasis added)

Since Section 1119 does not require that every cancellation proceeding be joined by an issue pertaining to infringement in order to confer jurisdiction, then Section 2201 can hardly

be said to require more, since Section 2201 specifically *excludes any requirement in regard to urging further relief which is or could be sought.* Thus Section 2201 does not require the controversy in regard to cancellation of registration to be joined mandatorily with an issue pertaining to infringement before the Court would have jurisdiction.

In *Sam S. Goldstein Industries, Inc.* v. *Botany Industries, Inc.*, 301 F. Supp. 728, 730, 163 U. S. P. Q. 442, 443 (S. D. N.Y., 1969) the Court said:

> "This count adequately sets forth facts showing that an actual controversy exists *respecting the propriety of plaintiff's registration of its trademark*, and would thus appear sufficiently [sic] to allege a claim arising under the laws of the United States, over which this Court has jurisdiction. 28 U. S. C. § 1331(a), § 1338(a) (1964). Moreover, section 37 of the Lanham Act, 15 U. S. C. § 1119 (1964) provides that a district court, in any action involving a registered trademark, may determine the right to registration, order cancellation of registration, restore cancelled registration, of trademarks. Thus, it appears that plaintiff's third count which primarily *seeks a determination of its right of registration, states a claim for relief and cannot be dismissed.* This Court would also appear to have pendent jurisdiction over plaintiff's claim that its use of the trademark "WALL STREET" does not infringe defendant's common law trademark, albeit there is no diversity of citizenship. *Cf.* 28 U. S. C. § 1338(b)." (Emphasis added.)

Note that the Court rests this statement upon a controversy in regard to the propriety of plaintiff's existing registration. There the Court did not find the necessity of grafting on to Section 1119 a requirement that infringement must be involved. Quite the contrary, the basic jurisdiction was provided by Section 1119 and *pendent* jurisdiction was allowed in regard to infringement.

This interpretation was further corroborated and even augmented by the comments of the Court in *The Durox*

Company v. *Duron Paint Manufacturing Company, Inc.*, 320 F. 2d 882, 887 (4th Cir. 1963) where the court said that:

> "A more serious question is whether 15 U. S. C. § 1119 is applicable to a case following the route of the administrative process *or whether it relates only to civil actions for infringement or declaratory judgment involving trademark registrations begun in the district courts.* In other words, is the administrative process exclusive (except as to the judicial review provided under Section 21) over *applications* for registrations? *We do not find this point discussed in the cases.* There are no apparent reasons of legislative history *which would require the limiting of the plain words of 15 U. S. C. § 1119 in such a way.* We note too that the nature of the review provided under section 21 is de novo, with the right to introduce evidence not before the Patent Office, rather than a review limited to the record. It would do no violence to the administrative process under the circumstances, and would result in a substantial savings of time and determine the matter in one proceeding, to allow the district court to modify a Patent Office determination in the light of all the evidence. Since the district court could go all the way and find that a party is entitled to register his mark, no good reason appears why it could not go part of the way and find that he is entitled to a modified form of registration." (Emphasis added)

Thus, the underlying function of Section 1119 has been quite explicitly recognized.

In the case of *Simmonds Aerocessories, Limited* v. *Elastic Stop Nut Corporation of America*, 257 F. 2d 485 (3rd Cir. 1958) the Court in considering 15 U. S. C. 1119, referred to as Section 37 of the Lanham Act, said:

> "The district court held that the plaintiff's only recourse under the circumstances was to proceed in the Patent Office for cancellation of defendant's trademark registration, pursuant to Section 14 of the Act,

15 U. S. C. A. 1064. However, Section 14, which provides for cancellation proceedings in the Patent Office, *and section 37*, which we have quoted above, *are concurrent remedies, not mutually exclusive.* Corning Glass Works v. Robertson, 1933, 62 App. D. C. 130, 65 F. 2d 476, certiorari denied 290 U. S. 645, 54 S. Ct. 63, 78 L. Ed. 559. See, also, Dwinell-Wright Co. v. National Fruit Product Co., 1 Cir., 1942, 129 F. 2d 848; Judson Dunaway Corporation v. Hygienic Products Co., 1 Cir., 1949, 178 F. 2d 461, certiorai denied 339 U. S. 948, 70 S. Ct. 802, 94 L. Ed. 1362; Nancy Ann Storybook Dolls v. Dollcraft Co., 9 Cir., 1952, 197 F. 2d 293, 295-296; Bascom Launder Corp. v. Telecoin Corp., 2 Cir., 1953, 204 F. 2d 331, 335, certiorari denied 345 U. S. 994, 73 S. Ct. 1133, 97 L. Ed. 1401."

Thus it is clear that wherever a controversy concerning cancellation of a registered mark is involved Section 1119 provides the courts with concurrent jurisdiction. Therefore, since the court does have jurisdiction in Cancellation Proceedings, and since the specific wording of the Declaratory Judgment Act does not require "further relief" to be sought, the district court does have jurisdiction over this action.

In its petition to the Patent Office for cancellation of petitioner's Registration, respondent alleged:

> ". . . registration by registrant of the aforesaid servicemark is damaging to Petitioner." (See Appendix I, p. A-8 of Appellant's Brief in Court of Appeals)

After so alleging in the complaint herein, petitioner alleged further that cancellation:

> ". . . would seriously curtail the expansion of plaintiff's franchising program, embarrass plaintiff in rendering more difficult the enforcement of its rights against those who would trade upon the reputation and good will built up by the advertising and promotion

of plaintiff and its franchisees." (Par. 8 of Complaint, Appendix I, p. A-3 of Appellant's Brief in Court of Appeals).

In view of these positions concerning the consequences to both parties of a determination regarding the validity of petitioner's registration, it is plain that the controversy between the parties is very real indeed.

D. Petitioner's Reason for Filing Suit

One of petitioner's reasons for filing suit was the fact that in the Patent Office proceeding it could not be and was not afforded full discovery.

Section 2.120 of the Trademark Rules of Practice provides as follows:

> The provisions of the Federal Rules of Civil Procedure relating to discovery *are inapplicable in inter partes trademark cases except as specifically set forth in this section.* . . . (Emphasis added)

It is for this reason, of course, that appeals from Patent Office determinations to the Federal Courts are treated as trials *de novo*. See, *The Durox Company* v. *Duron Paint Manufacturing Company, Inc., supra,* at 887.

During the pendency of the cancellation proceeding in the Patent Office, petitioner was unable for financial reasons to proceed with the taking of testimony and the presenting of the case. Thus disability has now been cured. If the Trademark Trial and Appeal Board had not stayed the proceedings a decision might well have been rendered on the basis of a very biased record. Petitioner would then have had to appeal that decision to the very same District Court below under the provisions of 15 U. S. C. 1071(b).

Petitioner's position is simply that the Trademark Trial and Appeal Board should not be put to the task of rendering

such a biased decision on the basis of an insufficient record, *as that Board well recognized by staying the proceedings.* Further, petitioner should not be prejudiced by the lower court having to give the Patent Office determination some weight. Indeed, the additional time and expense consumed in following that needless and useless procedure would be avoided by the suit below. That suit was appropriately filed in regard to a real matter in controversy; namely, petitioner's registration, in regard to which the District Court truly has jurisdiction under 15 U. S. C. 1119 even though the "further relief" of infringement is not sought. (*See,* 28 U. S. C. 2201).

CONCLUSION.

The intent of Congress to clearly differentiate between Cancellation proceedings and Opposition proceedings is evident from a reading of the pertinent sections of the Statute. In the former case valuable vested rights are involved whereas in the latter a procedure is provided for preventing the acquisition of such rights. To lump the valuable rights accompanying a Federally Registered Trademark into the same category as the prospective rights of a trademark applicant whose application has been published for opposition is to completely emasculate the purpose and effect of a Federal Trademark Registration. There is thus presented an important question of Federal Law which, to petitioner's knowledge, has not heretofore been decided and should be settled by this Honorable Court.

The Writ should issue.

Respectfully submitted,

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APPENDIX.

IN THE UNITED STATES DISTRICT COURT,
For the Northern District of Illinois,
Eastern Division.

HOMEMAKERS, INC.,
Plaintiff,
vs.
CHICAGO HOME FOR THE FRIENDLESS,
Defendant.
No. 69 C 2343

MEMORANDUM OPINION AND ORDER.

The plaintiff, Homemakers, Inc., brought this action for a declaratory judgment that its trade-mark is duly registered and that the defendant has no right to have that mark cancelled and for an order restraining the defendant from prosecuting a cancellation proceeding in the United States Patent Office. The matter is before the Court on defendant's motion to dismiss for failure to allege an actual controversy within the meaning of the Declaratory Judgment Act, 28 U. S. C. § 2201.

The complaint alleges that the plaintiff was incorporated in April, 1965, and since that time has operated a successful and expanding business of supplying services as an employment contractor for domestic and medically related services and franchising others to do the same. It is alleged that the plaintiffs have franchised others throughout the

United States to conduct the same business under the service mark "Homemakers."

In June, 1967, after the plaintiff became owner of a federal registration for the service mark, the defendant, Chicago Home for the Friendless, petitioned the United States Patent Office for cancellation of the registration alleging that the mark is merely descriptive or deceptively misdescriptive and that the plaintiff's use is likely to and has resulted in confusion, mistake and deception which has and will damage the defendant. This action for a declaratory judgment was filed in November, 1969, and the following month the Patent Office granted plaintiff's motion for a stay of proceedings pending a final order in this Court.

The motion to dismiss is based on the contention that the defendant's petition for concellation of plaintiff's registration does not present an actual controversy within the meaning of the Declaratory Judgment Act. In support of its motion the defendant cites *Merrick* v. *Sharp & Dohme, Inc.*, 185 F. 2d 713 (7th Cir. 1950) wherein the Court of Appeals for this circuit held that a complaint for a declaratory judgment that plaintiff's trade-mark was not confusingly similar to and not an infringement of the defendant's registered mark did not present an actual controversy since the defendant had not threatened the plaintiff with an infringement action and the defendant's notice of opposition in the Patent Office to the plaintiff's application for registration did not constitute a claim of infringement. It is the position of the Chicago Home for the Friendless that since it has not claimed infringement and since its petition for cancellation is on the same footing with the notice of opposition in *Merrick*, the holding of that case controls and the complaint should be dismissed.

The plaintiff attempts to distinguish *Merrick* on two grounds: first, that part of the relief sought in that case

was a declaration that the plaintiff's trade mark did not infringe the defendant's registered mark, and secondly, that the *Merrick* case arose out of a notice of opposition to the plaintiff's registration and this case arises out of the defendant's petition for cancellation of the plaintiff's registered mark. The plaintiff is correct that the alleged controversey in the cited case included issues of infringement which the Court found to be illusory, and that in this action no issue of infringement has been raised. The question then becomes whether this Court has jurisdiction to determine by declaratory judgment, independently of any real controversy between the parties, one party's right to have its trade-mark registered under the Lanham Act, 15 U. S. C. §§ 1051-1127. It seems clear that the Court in *Merrick* addressed this issue as well, in stating at page 717:

> In such a proceeding the person who files a notice of opposition does not become involved in private litigation with the applicant. . . .
>
> Congress has confided the registration of trade-marks to the Patent Office of the United States. The courts of the United States have no jurisdiction over registration proceedings except that appellate jurisdiction given them by the Trade-Mark Act.

The plaintiff strongly urges that *Merrick* is not controlling here since it involved a notice of opposition to an application and this action arises out of a petition for cancellation of an existing registration under which federally protected rights have already been acquired. The distinction is unpersuasive and the plaintiff has cited no case or section of the Lanham Act which supports the proposition. In the case of both opposition and concellation the question is the right of the party to have its trade-mark registered. Section 1063 of Title 15; dealing with opposition to registration, states as follows:

> Any person who believes that he would be damaged

> by the registration of a mark upon the principal register may, upon payment of the required fee, file a verified opposition in the Patent Office stating the grounds therefor, within thirty days after the publication under subsection (a) of section 1062 of this title of the mark sought to be registered.

Section 1064 of the same title, dealing with cancellation, states in part as follows:

> A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this chapter, . . .

This Court finds nothing in these or any other sections of the Act to indicate that one petitioning for cancellation of a registered mark is in any more of an adversary position with respect to the registrant than one who opposes an application. On the contrary, 15 U. S. C. § 1071(b) indicates that the language quoted from *Merrick* v. *Sharp & Dohme, Inc., supra,* should be applicable to both situations. That section states in part:

> (b) (1) Whenever a person authorized by subsection (a) of this section to appeal to the United States Court of Customs and Patent Appeals [which includes an applicant for registration and a party to a cancellation proceeding] is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, said person may, unless appeal is taken to said Court of Customs and Patent Appeals, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in subsection (a) of this section. The Court may adjudge that an applicant is entitled to a registration upon the application involved, that a

registration involved should be cancelled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Commissioner to take any necessary action, upon compliance with the requirements of the law.

In accordance with what has been stated above, this Court is of the opinion that this action must be dismissed for failure to allege a justiciable controversy within the jurisdiction of the Court. Section 1119 and 1121 of Title 15 should not be construed to require a contrary result. The application of those sections in an infringement action is obvious in order that an entire controversy may be resolved in a single forum. However, the Lanham Act as a whole, its construction in *Merrick* v. *Sharp & Dohme, Inc., supra,* and particularly section 1071(b), authorizing a civil action by one dissatisfied with the decision of the Commissioner concerning a matter of application for, or cancellation of, a registration, indicate that this Court is without jurisdiction under the Declaratory Judgment Act where the only issue is one party's right to a registration and infringement, misuse or unfair competition are not involved.

The plaintiff's reliance on *Sam S. Goldstein Industries, Inc.* v. *Botany Industries, Inc.,* 301 F. Supp. 728 (S. D. N. Y. 1969), and *Topp-Cola Co.* v. *Coca Cola Co.,* 185 F. Supp. 700 (S. D. N. Y. 1960) reversed 314 F. 2d 124 (2d Cir. 1963) is misplaced. The plaintiff in *Goldstein,* in addition to seeking an injunction restraining the defendant from proceeding in the Patent Office on a petition for cancellation, sought a declaration that its trade-mark did not infringe the defendant's since the defendant had previously threatened the plaintiff's customers with an infringement action. The Court properly upheld the existence of an actual controversy and its power to determine the plaintiff's right to a registration. This Court will not attempt to resolve the

parties' disagreement as to whether the *Topp-Cola* case was reversed on other grounds. Suffice it to say that the case is not on point and any statement of the District Court which may support the plaintiff here is dicta at best.

For the reasons stated above, this Court is of the opinion that the defendant's motion to dismiss should be granted and the cause should be, and the same is hereby ordered dismissed.

ENTER:

ALEXANDER J. NAPOLI,
United States District Judge.

Dated: February 6th, 1970.

UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

March 29, 1971

Before

Hon. ROGER J. KILEY, *Circuit Judge;*
Hon. OTTO KERNER, *Circuit Judge;*
Hon. JOHN PAUL STEVENS, *Circuit Judge.*

No. 18403

HOMEMAKERS, INC.,
Plaintiff-Appellant,

vs.

THE CHICAGO HOME FOR THE FRIENDLESS,
Defendant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

ORDER.

The district court dismissed plaintiff's suit for declaratory judgment that its Homemakers' trademark was valid, for declaration that plaintiff has a right to retain its registration for the trademark Homemakers, and for injunctive relief against defendant's proceeding in the Patent Office to cancel the Homemakers trademark. We affirm.

Homemakers' trademark was registered in the Patent Office on March 7, 1967. In June, 1967, the Chicago Home for the Friendless filed in the patent Office a petition to cancel plaintiff's registration. Thereafter Homemakers filed its suit in the district court. The Patent Office then

delayed decision on the cancellation petition pending disposition by the district court of this suit.

The issue in the case before us is whether the district court has jurisdiction to determine by declaratory judgment, independent of any claim of infringement, plaintiff's right to retain its trademark which had been registered under the Lanham Act, 15 U. S. C. §§ 1051-1127. This court in *Merrick* v. *Sharp & Dohme, Inc.*, 185 F. 2d 713 (7th Cir. 1950), *cert. den.*, 340 U. S. 954, decided that a district court has no jurisdiction to enter declaratory judgment with respect to a right to have a trademark initially registered where there was no question of infringement. That case did not involve a cancellation petition, but an opposition to the registration of a trademark. If the opposition proceeding and the cancellation proceeding are substantially alike with respect to the court's jurisdiction, we think that *Merrick* controls the decision here.

Homemakers argues that there is a substantial distinction because in an opposition proceeding no right has yet accrued to the applicant for registration, whereas in a cancellation proceeding, which follows registration, there is a prima facie right to the trademark. The district court was not persuaded by the distinction urged so far as it bore on the court's decision. It noted the language in *Merrick* that

> Congress has confided the registration of trademarks to the Patent Office of the United States. The courts of the United States have no jurisdiction over registration proceedings except that appellate jurisdiction given them by the Trade-Mark Act. 185 F. 2d at 717

and decided that while the opposition and cancellation proceedings are covered in different sections of the Lanham Act, 15 U. S. C. § 1063 and 15 U. S. C. § 1064, respectively, the appeal procedure to the federal courts, 15 U. S. C.

§ 1071(b), is common to both. The district court concluded that it had no jurisdiction under the Declaratory Judgment Act to determine the validity of plaintiff's trademark where there is no issue of infringement.

We have read the court's decision, reported at 313 F. Supp. 1087, and we approve and adopt the opinion as the opinion of this court, and affirm the judgment.

15 USC 1062:

(a) Upon the filing of an application for registration and payment of the fee provided in this chapter, the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and, if on such examination it shall appear that the applicant is entitled to registration, the Commissioner shall cause the mark to be published in the Official Gazette of the Patent Office: *Provided*, That in the case of an applicant claiming concurrent use, or in the case of an application to be placed in an interference as provided for in section 1066 of this title, the mark, if otherwise registrable, may be published subject to the determination of the rights of the parties to such proceedings.

(b) If the applicant is found not entitled to registration, the examiner shall advise the applicant thereof and of the reasons therefor. The applicant shall have a period of six months in which to reply or amend his application, which shall then be re-examined. This procedure may be repeated until (1) the examiner finally refuses registration of the mark or (2) the applicant fails for a period of six months to reply or amend or appeal, whereupon the application shall be deemed to have been abandoned, unless it can be shown to the satisfaction of the Commissioner that the delay in responding was unavoidable, whereupon such time may be extended.

(c) A registrant of a mark registered under the provisions of the Act of March 3, 1881, or the Act of February 20, 1905, may, at any time prior to the expiration of the registration thereof, upon the payment of the prescribed fee file with the Commissioner an affidavit setting forth those goods stated in the registration on which said mark is in use in commerce and that the registrant claims the benefits of this chapter for said mark. The Commissioner shall publish notice thereof with a reproduction of said mark in the Official Gazette, and notify the registrant of such publication and of the requirement for the affidavit of use or nonuse as provided for in subsection (b) of section 1058 of this title. Marks published under this subsection shall not be subject to the provisions of section 1063 of this title.

15 USC 1063:.

Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the required fee, file a verified opposition in the Patent Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 1062 of this title of the mark sought to be registered. For good cause shown, the time for filing opposition may be extended by the Commissioner, who shall notify the applicant. An unverified opposition may be filed by a duly authorized attorney, but such opposition shall be null and void unless verified by the opposer within a reasonable time after such filing to be fixed by the Commissioner. An opposition may be amended under such conditions as may be prescribed by the Commissioner.

15 USC 1115(a):

(a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

15 USC 1117:

When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court

shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

15 USC 1121:

The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.